

Directive No. 19

**DISCLOSURE BY WRITING AGENT TO INSURERS  
WHEN ANOTHER INSURER HAS REJECTED A RISK**

May 6, 1974

It has been brought to my attention that certain credit insurance agents licensed to represent more than one credit insurer, after having one insurer reject a proposed insured, offer the application to another insurer without full disclosure to the subsequent insurer that the application had previously been rejected.

L.S.A. R.S. 22:1121 (5) lists as one ground for suspension or revocation of agent's license the lack of trustworthiness to act as an agent.

Failure of notification by an agent to every insurer being offered an application that another insurer had previously turned down the application could be considered a lack of trustworthiness on his part. A duty is owed by the agent to each and every one of the insurers which he is authorized to represent to disclose any fact known to the agent.

You are hereby directed to notify every credit life, health and accident agent doing business for you in the State of Louisiana immediately by forwarding a copy of this bulletin to them.

Sherman A. Bernard  
COMMISSIONER OF INSURANCE